

5 February 2018

ARROW RAISES \$5.2 MILLION THROUGH FRASER RANGE NICKEL JOINT VENTURE AND STRATEGIC INVESTMENT WITH INDEPENDENCE GROUP AND OVERSUBSCRIBED EQUITY PLACEMENT

HIGHLIGHTS:

- Independence Group NL (IGO) will acquire a 51% interest in the Plumridge Nickel Project and an 11% strategic equity interest in Arrow for a total investment of \$2.5 million
- Heavily oversubscribed share placement to raise \$2.65 million completed on the same terms as the IGO investment
- IGO can increase its interest in the Project to 90% by spending \$5 million on exploration over four years with the option to accelerate its earn-in with a cash payment to Arrow
- IGO to immediately commence exploration, including airborne EM, ground EM and aircore drilling, following on from work already completed at the Project
- Arrow is now fully funded to undertake accelerated exploration programmes at the Company's 100%-owned Barlee Gold and Malinda Lithium Projects in 2018

Arrow Minerals Limited (formerly Segue Resources Limited) (**Arrow** or the **Company**) is pleased to announce that it has entered into an agreement with ASX-listed nickel and gold producer, Independence Group NL (ASX: IGO) (**IGO**) covering the Plumridge Nickel Project (**Project**) together with a cornerstone equity investment in Arrow (**Agreement**) for a total of \$2.5 million.

Arrow has also received commitments from institutional and professional investors to raise \$2.65 million through a heavily oversubscribed two-tranche equity placement.

Commenting on the investment by IGO and successful placement, Arrow's Managing Director, Mr Steven Michael, said:

"The investment of \$2.5 million by IGO for a majority interest in the Plumridge Nickel Project and strategic equity stake in Arrow is a significant turning point for the Company.

In addition, we are delighted with the overwhelming support we have received for our recent \$2.65 million placement which introduced a number of high quality institutional and professional investors to our share register.

IGO is a logical partner for Arrow, given its dominant position in the Fraser Range, including 100% ownership of the Nova Nickel Project. IGO's Fraser Range exploration budget for FY2018 is \$21 million, including significant airborne EM, ground EM and drilling programmes to be undertaken at Plumridge.

Arrow now has sufficient funding to aggressively explore its Barlee Gold and Malinda Lithium Projects and has a supportive major shareholder with gold and nickel assets in Western Australia."

Key Terms of the Agreement with IGO

- IGO to acquire a 51% interest in the Project for \$1.5 million;
- IGO and Arrow will enter into a joint venture over the Project, with IGO managing all exploration activities;
- IGO can increase its interest in the Project to 90% through the expenditure of \$5 million over four years;
- IGO can accelerate earning its 90% Project interest by paying Arrow cash equal to the amount remaining for the joint venture earn-in;
- IGO has subscribed for a \$1 million placement in Arrow at a price of 2.9¢ per share with one attaching listed option (AMDOA) for every two placement shares; and
- IGO placement shares will be subject to escrow provisions and IGO has the right to maintain its strategic equity holding in Arrow, subject to regulatory approval.

Plumridge Nickel Joint Venture

Arrow and IGO will form the Plumridge Joint Venture (**JV**), covering eight exploration licences totalling 2,500km² in the Fraser Range province. IGO will acquire an initial 51% interest in the JV and is the JV manager, while Arrow will hold a 49% interest in the JV.

IGO is the largest tenement holder and explorer in the Fraser Range, with 14,500km² of exploration licences under management (**Figure 1**). In addition, IGO owns a 100% interest in the Nova Nickel Project (**Nova**), which is located 200km south of the Project. Since acquiring Nova in late 2015, IGO has undertaken considerable regional exploration in the Fraser Range and continues to spend over \$20 million per annum on regional exploration.

IGO will immediately commence exploration at the Project, utilising the geophysical datasets acquired by Arrow and MMG Limited over the past three years, including the recently acquired HeliTEM airborne electromagnetic (**AEM**) survey. Over the next 12 months, IGO's exploration plan includes:

- Ground Moving Loop EM testing of HeliTEM anomalies;
- Spectrem AEM over areas not tested by HeliTEM;
- Aircore drilling of specific targets; and
- Reverse circulation/diamond drilling of EM conductors confirmed by MLEM.

Strategic Investment in Arrow

In addition to entering into the Plumridge JV, IGO will subscribe for \$1 million of shares in Arrow at a price of 2.9¢ per share (**IGO Placement**), and one attaching listed option for every two shares subscribed for (in the series currently designated AMDOA) at a strike price of 10¢ with an expiry of 31 December 2019 (**Option**). The IGO Placement will be subject to Arrow obtaining shareholder approval. A Notice of Meeting to approve the IGO Placement will be sent to Arrow shareholders as soon as possible, with the shareholder meeting expected to be held in early March 2018.

The IGO Placement will be subject to a voluntary escrow, with 50% of the IGO Placement escrowed for 6 months from the subscription date and the remaining 50% escrowed for 12 months from the subscription date. Subject to regulatory approval, IGO will be given the right to participate in equity raisings on a pro-rata basis.

Oversubscribed Placement

In addition to the IGO Placement, Arrow has completed a placement to sophisticated investors on the same terms as the IGO Placement (being at an issue price of 2.9¢ per share with one option (AMDOA) for every two shares) to raise \$2.65 million (**Placement**).

Hartleys Limited acted as Lead Manager to the Placement.

The Placement was heavily oversubscribed with support from new institutional and professional investors together with existing shareholders. The Placement will be completed in two tranches, with Tranche 1 (48.75% of shares to be issued in the Placement comprising 26,463,792 shares pursuant to Listing Rule 7.1 and 18,085,861 pursuant to Listing Rule 7.1A) issued under the Company's existing placement capacities and Tranche 2 (46,829,670 shares or 51.25% of shares and 100% of the options to be issued in the Placement) subject to shareholder approval at the shareholder meeting expected to be held in early March 2018.

Tranche 1 of the Placement is expected to settle on Monday, 12 February 2018 and quotation of the Placement shares is expected to occur on Tuesday, 13 February 2018.

Accelerated Gold and Lithium Drilling Programmes

The proceeds of the IGO Placement and Placement will be used to accelerate exploration at the Company's 100%-owned Barlee Gold and Malinda Lithium Projects in 2018, including:

- **Barlee Gold** – 50,000m of aircore and 15,000-20,000m of RC drilling across the T1, T2, T6 and T8 prospects; and
- **Malinda Lithium** – complete a detailed aerial survey to refine targets for 10,000-15,000m of RC drilling of high-grade lithium pegmatites.

About Independence Group NL

Independence Group NL (ASX: IGO) is a leading ASX listed diversified mining, development and exploration company, with a portfolio of high quality gold and base metals mining operations in Western Australia and a growing pipeline of belt scale greenfields exploration projects.

IGO's 100% wholly-owned assets include the world class Nova nickel-copper-cobalt operation, the Jaguar zinc-copper-silver operation and the Long nickel operation. IGO also produces gold from its 30% interest in the Tropicana Gold Mine, a Joint Venture with AngloGold Ashanti.

The Nova operation is forecast to produce 23-27kt Ni, 10-12kt Cu and 0.8-1.05kt Co at cash costs of A\$1.90-2.50/lb Ni (payable) in FY 2018. Near-mine and regional exploration in the Fraser Range for FY 2018 is forecast to be \$30 million.

For further information visit www.arrowminerals.com.au or contact:

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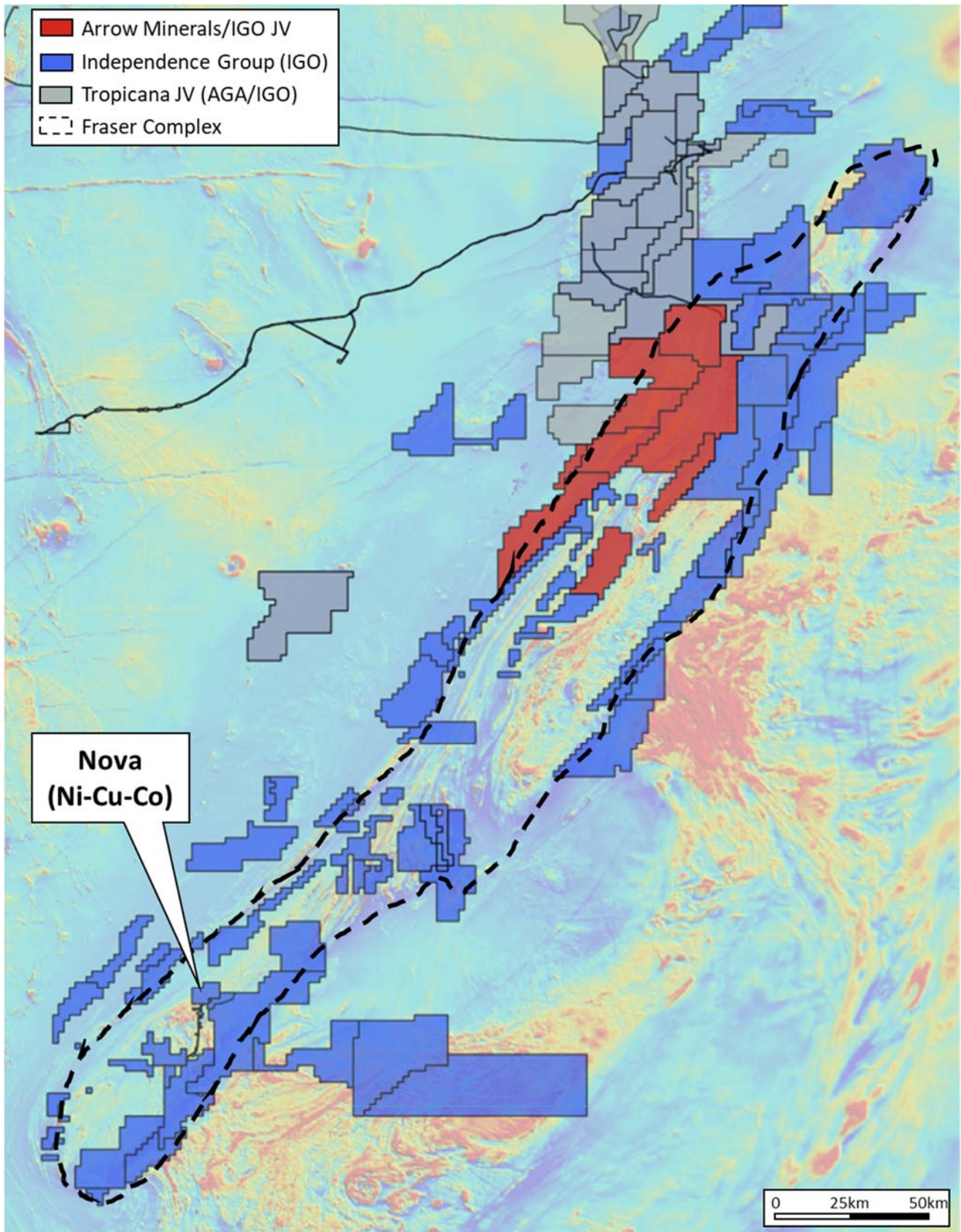


Figure 1 – Project location map showing IGO and Plumridge JV tenements